GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:6014
ANSWERED ON:05.05.2003
ELIGIBILITY FOR BANK FINANCE UNDER KVIC
CHINTAMAN NAVSHA WANAGA

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether the Government have increased eligibility for bank finance under KVIC`s Rural Employment Generation Programme;

(b) if so, the details thereof;

(c) whether self help group has also been covered under the purview of the scheme; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF AGRO AND RURAL INDUSTRIES (SHRI SANGHPRIYA GAUTAM)

(a): Yes, Sir.

(b): The eligibility for availing Bank finance under Rural Employment Generation Programme (REGP) in the case of institutions is Rs. 25 lakhs since the inception of REGP. In the case of individual entrepreneurs, the eligibility for availing bank finance has been increased from Rs. 10 lakhs to Rs. 25 lakhs with effect from 22.01.2002 under the Rural Employment Generation Programme.

(c): Yes, Sir.

(d): The REGP has been extended for the benefit of Self Help Groups (SHG). Initially, it was made applicable on selected basis in Andhra Pradesh, Tamil Nadu, Orissa, Karnataka, Uttar Pradesh, Madhya Pradesh, Jharkhand and Chattisgarh. Later with effect from 21st April 2003, the same has been extended throughout the country. Under the scheme, the SHGs can approach Banks for availing financial assistance with margin money component from KVIC. For SHGs formed by rural women, margin money to the extent of 30% of project cost upto Rs. 10 lakhs and 10% of project cost over and above Rs. 10.00 lakhs upto Rs. 25 lakhs is provided under the scheme.